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FISCAL IMPACT STATEMENT

LS 6993

BILL NUMBER: SB 359

NOTE PREPARED: Jan 9, 2008

BILL AMENDED:

SUBJECT: Enhanced 911 Systems.

FIRST AUTHOR: Sen. Hershman

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill establishes the 17-member Enhanced 911 Advisory Board (E911 Board). The bill also provides that the Treasurer of State serves as the chair of the Board. The bill requires the Board to develop, maintain, and update an enhanced 911 state plan.

The bill establishes the Enhanced 911 System Fund. The bill provides that the Board shall administer the Fund. This bill requires the Board to impose a monthly enhanced 911 fee on each standard and prepaid subscriber of voice communications service in Indiana. The bill also provides that for purposes of the fee, "voice communications service" means the transmission, conveyance, or routing of real-time, two-way voice communications, regardless of the protocol used. This bill provides that the amount of the initial fee is \$1. The bill prohibits a state agency or a political subdivision from imposing any additional fee relating to the provision of enhanced 911 service. The bill requires a voice communications service provider to collect the fee: (1) as part of its normal monthly billing process; or (2) at the point of sale, for new prepaid subscribers. The bill also requires a provider to remit the fees collected to the Board for deposit into the Fund not more than 60 days after the end of the calendar month in which the fees are collected.

The bill specifies the manner in which the Board is to distribute money from the Fund to counties containing an eligible public safety answering point (PSAP). The bill also specifies the permissible uses for the funds distributed to an eligible PSAP. The bill allows a county to establish an emergency telephone notification system. This bill provides that funds distributed to the county by the Board may be used to establish and operate the system if the expenses of operating an eligible PSAP in an adequate and efficient manner have been met. The bill requires a provider to provide to a PSAP the necessary subscriber data to enable the PSAP to implement and operate an enhanced 911 system.

The bill also provides that proprietary information submitted to the Board or the Treasurer of State is confidential. This bill provides that after June 30, 2012, a county may not contain more than one PSAP. Not later than July 1, 2012, the bill requires each political subdivision or agency that operates a PSAP in a county containing more than one PSAP to enter into an interlocal agreement with every other political subdivision or agency that operates a PSAP in the same county. The bill also provides that the interlocal agreement must: (1) provide for the staffing and funding obligations of each county, political subdivision, or agency participating in the establishment of a county or regional PSAP; and (2) be approved by the Board.

The bill repeals the statutes concerning: (1) the local monthly enhanced emergency telephone system fee; (2) the statewide monthly wireless enhanced 911 fee; and (3) emergency telephone notification systems. This bill provides for the expiration on July 1, 2012, of the statute that: (1) establishes a public safety communications system and computer facilities district in a county having a consolidated city; and (2) allows certain other counties to establish a public safety communications systems district.

The bill also appropriates \$300,000 from the funds remaining in the state Wireless Emergency Telephone System Fund on July 1, 2008, to the Department of Homeland Security for use in upgrading the state's emergency alert system. The bill specifies that the remaining funds are transferred to the new Enhanced 911 System Fund. The bill also specifies that funds remaining in: (1) a county wireless emergency telephone system fund; or (2) a county or municipal wireline emergency telephone system fund; on July 1, 2008, are transferred to the county's new Enhanced 911 System Fund. This bill specifies that the funds transferred must be used first to meet any outstanding obligations incurred by the county or municipality in connection with its enhanced 911 system.

Effective Date: Upon passage; July 1, 2008.

Explanation of State Expenditures: This bill creates the Enhanced 911 Advisory Board. The E911 Board consists of 17 members and is responsible for developing, maintaining, and updating the E911 state plan. The E911 Board is also responsible for administering the E911 Fee and the E911 System Fund. The costs of administering the E911 System Fund are paid from the Fund, and the other administrative expenses of the E911 Board will be paid from the \$0.02 of every \$1.00 of E911 Fee revenue. The bill also requires that a portion of the E911 Fee be used for costs associated with other E911 services mandated by the FCC. The bill repeals or provides an expiration for the current Wireless E911 Board and state and local 911 fees.

Explanation of State Revenues: The bill appropriates \$300,000 from the funds remaining in the state Wireless Emergency Telephone System Fund on July 1, 2008, to the Department of Homeland Security for use in upgrading the state's emergency alert system.

This bill also imposes a \$1.00 fee for 911 services throughout the state. This fee is required to be imposed on any voice communication service subscriber within the state. The bill defines voice communications to include voice over internet protocol (VOIP), voice over power lines, and commercial mobile radio service (CMRS). The bill also repeals the authority for any other local or state fees to be imposed for 911 services.

The flat \$1.00 statewide fee is estimated to increase total 911 fee revenues by between an estimated \$5 M and \$15 M annually. The amount of the increase will ultimately be determined by the number of subscribers which are charged the fee that were not previously being charged this fee. The amount of any increase will also depend upon the actual collections by local governments under the new fee as compared to variable fee rates charged on only wireless and land line subscribers under current law. The fees are all deposited in the state Enhanced 911 System Fund. The fee is required to be imposed by the voice communication service

providers, who are eligible to retain \$0.014 for collection expenses.

The bill sets forth how the E911 Board shall distribute the remaining fee revenues as shown in the table below.

Recipient	Distribution
E911 Board	\$0.020
Distributed to Counties with PSAPs based on population	\$0.688
Distributed to Counties with PSAPs equally	\$0.078
Distributed into Escrow Account for E911 costs from FCC mandates	Remainder

It is estimated that overall collections will increase by between \$5 M and \$15 M in FY 2009. The increase to each entity or fund that is part of the distribution above is indeterminable due to the variance of fee amounts imposed in each county. The overall statewide fee revenue impact estimate is based on the average fees charged by all counties and the implied number of subscribers statewide based on local fee collections.

Explanation of Local Expenditures: This bill could increase local expenditures for compliance with the provisions in this bill requiring interlocal agreements and between local units that operate separate PSAPs within the same county. The bill does not require these agreements until July 1, 2012; therefore, the impact may not fully be realized until FY 2013. It is also estimated that some of these costs could be offset by the estimated increase in overall 911 fee revenues.

Explanation of Local Revenues: The bill provides that for distributions of the new state enhanced 911 fees occurring before July 1, 2012, a county may not receive a distribution that is lower than the county's distribution from the current wireless emergency enhanced 911 fee. For further comments on this impact see the *Explanation of State Revenues* section above.

State Agencies Affected: Treasurer of State, Department of Homeland Security.

Local Agencies Affected:

Information Sources:

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